

May 29, 2002  
ILR 2002-A

Representative Wayne A. Harper  
Utah House of Representatives  
318 State Capitol Building  
Salt Lake City, UT 84114

**Subject: School Land Trust Account Funds**

Representative Harper:

In accordance with your request, our office has conducted a limited survey of the use of School Land Trust Program funds in elementary schools within the Granite School District. Based on a sample of schools, we found that:

1. Schools are indicating how School Land Trust funds will be used to improve the education of their students.
2. Schools are adequately documenting how School Land Trust funds are being spent.

**Schools are Using School Land Trust  
Funds to Improve Education of Students**

Based on our limited review, elementary schools in the Granite School District appear to use their School Land Trust funds according to statutory requirements. We reviewed six schools using School Land Trust funds to aid in reading comprehension and other academic areas. Each school had adequate documentation, with follow-up physical inspections by the auditors accounting for purchased assets.

According to **Utah Code** 53A-16-101.5(1)(b), School Land Trust funds are to be spent to enhance “academic or educational excellence” in student performance in acquiring and mastering skills in the required state school curriculum. Granite School District’s elementary schools are complying with this statute and with Utah State Office of Education (USOE) requirements that School Land Trust funds be used to enhance student academic performance. Schools are identifying greatest student needs, documenting improvement of knowledge through bettered test scores, and are giving detailed descriptions on how student performance will be measured.

### **School Land Trust Funds Used to Assist Schools Most Serious Academic Needs**

Schools must identify how School Land Trust monies will be used to enhance student academic performance and improve educational excellence. A sample of six Granite elementary schools shows that the schools identify their students’ greatest academic need and apply the funds to improve student learning. The majority of schools surveyed used School Land Trust monies to improve student reading comprehension by purchasing the Accelerated Reader computer program, which tests students’ knowledge of reading materials.

One school we reviewed was recently refurbished and remodeled; the school received all new computers for its computer lab. School Land Trusts funds were used to supply students with reading comprehension software to assist them in their reading programs. One of the school’s teachers explained that today’s children are computer literate, and the Accelerated Reading program improves student learning because it tests student knowledge about the books they read. The program measures student improvement in reading performance by combining computers with the school’s conventional reading program.

Several teachers at different schools reported that students were highly motivated because the children use the Accelerated Reader software to further their reading comprehension and knowledge. One reading teacher believes that combining computers with conventional reading techniques was successful because “that is what this generation of kids want.” In this teacher’s opinion, additional testing at the end of the school year will show how much students have improved their reading level.

One of the six elementary schools used a small portion of its School Land Trust funds for learning incentives for its students. The school held “Recognition Assemblies” where students who had earned a certain number of reading points and met certain reading goals

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were publically recognized and rewarded by the school for their achievements. Students could choose from a variety of rewards—from receiving a certificate to go to the principal's office to pick out a candy bar of their choice, to having an ice cream or pizza party in the school library.

The elementary school using incentives received \$7,760 in School Land Trust funding for the 2000-2001 school year. They spent \$529 (seven percent) of their School Land Trust allocation on incentives. Receipts show the \$529 being spent on candy, pizza, and rented costumes for the Accelerated Reading recognition parties. The school's principal explained that the recognition assemblies and parties motivated the students to use the Accelerated Reader computer program, and end-of-year test scores indicated an improvement in student reading performance. In our opinion, holding recognition assemblies and using a small portion of School Land Trust funds for incentives is reasonable if it motivates students to higher levels of educational excellence.

### **Schools Have Performance Measures**

The USOE requirements stipulate that elementary schools must show how School Land Trust funds will be used to improve student academic performance. Granite School District's elementary schools have complied with this reporting requirement. All six schools reviewed had a detailed description of how student performance and improvement was going to be measured. For example, one school used its 2000-2001 School Land Trust funds to help improve its students' reading skills. The school's *Land Trust Program Principal's Report* stated that the school would measure student reading improvement from the following formats:

. . . [By] looking at gains that students made in their reading levels as determined by the STAR reading program. This program identifies a student's reading level and assigns books accordingly. On the average, classes that fully embraced the Accelerated Reader program increased 1.7 years in reading according to pre- and post-tests.

The school then gave pre-test, post-test, and the overall change by grade to measure the improvement of their implemented reading program.

Another Granite School District elementary school reported measuring gains in student reading by conducting reading tests throughout the school year to measure gains in student

reading performance. Their *School Land Trust Summary Plan* explained they would measure student performance by doing two measurements in reading, as shown in Figure 1.

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**Figure 1. A Granite Elementary School's Performance Measurements Suggest School Land Trust Funds Had a Positive Effect on Reading Comprehension.**

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1. "The STAR reading ability test was given to the students at the commencement of the school year 7/00 and again in 1/01 and these growth levels were reported at mid-year. We will retest in May and June as our year round tracks are completed. These are one half year improvement statistics." [The change indicates reading growth in terms of years.]			
Grade	Pre-test	Post-test	Change
2	0.7	1.9	1.2
3	2.9	3.9	1.0
4	3.2	3.9	0.7
5	4.3	5.0	0.7
6	5.2	6.1	0.9
2. "Accelerated Reader Summary Report show the following data over a three month period from January to March of this year." [The change indicates percentage correct on a reading accuracy test administered at the end-of-level.]			
Grade	January	March	Change
2	73.9%	79.7%	5.8
3	78.2	82.9	4.7
4	78.6	83.6	5.0
5	84.7	86.9	2.2
6	85.1	86.7	1.6

Another school, which focused their School Land Trust funds on improving science knowledge explained how they were going to improve student learning in the sciences through the test scores. The school explained that,

The formal assessment we plan to use is the Science Criteria Reference Test. . . . We do not, as yet, have scores for this [2000-2001] school year. Teachers have done informal assessments relating to science concepts taught. The entire sixth grade participated in the Science Fair in February. Next year we plan to have the fifth and sixth grades participate.

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While end-of-school testing performance was not included on the school's application, the school reported testing the students' science knowledge with mixed results. The principal of this school believes that, overall, School Land Trust monies did improve the performance of the student body as the whole.

The school also reported that teachers were able to purchase materials and equipment specific to their core curriculum with School Land Trust funds. Having hands-on materials at all grade levels allowed for improved instruction and learning. Teachers were also able to attend science staff development classes paid for with School Land Trust money. The feedback from the teachers that participated in these training sessions were very positive. School Land Trust money also assisted in paying for a one day, hands-on science experience for all our students called "Jr. Engineering State" through Utah State University.

Interviews with teachers and principals in the schools we reviewed indicated materials purchased with School Land Trust funds were helping achieve the listed goal of improving their students reading or science knowledge. Teachers reported the materials purchased were helpful and supplies were adequate and in good physical condition.

In summary, elementary schools at the Granite School District are using School Land Trust funds to improve the academic learning of students based on the individual needs of each school. They are also measuring student performance to show that students improve because of these funds. The next section of the report will explain how the schools are adequately documenting the spending of School Land Trust funds.

### **Schools Appear to Have Adequate Documentation for School Land Trust Expenditures**

Granite elementary schools have adequate documentation concerning how School Land Trust funds are spent. We believe the schools are following requirements concerning documentation and usage of School Land Trust funds. First, schools must outline and justify how they will use School Land Trust funds based on academic need and accountability of student performance, including testing evaluation data. Second, the funds are controlled in that schools do not directly spend the funds, but are reimbursed with School Land Trust funds by the school district only after purchases have been made. Finally, our physical review of elementary schools shows that schools can account for materials purchased with School Land Trust funds.

### **Schools Must Present a Land Trust Plan to Their School Board for Approval**

Schools develop a plan on how they intend to spend the funds for each school year. Schools must complete a *School Land Trust Program School Plan* before being awarded the funds. The plan must be approved by the local school board prior to funds being released to the school. The School Plan requires the school to report the progress made during the school year, and report how student improvement is measured, including testing evaluation data. (The plan is submitted using a paperless Internet form which can be found at [www.schoollandtrust.org](http://www.schoollandtrust.org).) The School Plan has detailed object codes broken down by such categories as professional and technical services, supplies, materials, equipment, computer equipment, textbooks, workbooks, library media, and personnel, to name a few. The plan requires schools to identify their most crucial academic need, and how School Land Trust funds will address the need.

For example, one school's *School Land Trust Plan Summary* states that they "plan to help all students improve reading skills by using the Accelerated Reader and Reading Recovery programs." The Plan Summary explains their plan of action as follows:

[Our elementary school] will address improvement of reading skills. Plan of Action:

1. We will supplement our basic reading program to include the Accelerated Reader and Reading Recovery programs.
2. Hire a part-time teacher aide to develop a volunteer program.
3. Recruit community volunteers to tutor students in the reading programs.
4. Identify students who are at risk and give them extra help.
5. Develop a reward system for students showing progress.
6. Provide reading strategies workshops.
7. Focus on school individualized and school wide reading strategies.
8. Work on additional grants and funding sources to support our plans.

### **Granite School District Reimbursement Procedures Guard Against Potential Abuse**

Schools are reimbursed from the school district when using School Land Trust funds. School Land Trust monies are held in Granite School District accounts, not deposited in individual school accounts, so schools are prevented from taking School Land Trust funds and converting them into cash or purchasing inappropriate items with the money. Schools must send in a paid voucher with a copy of the receipt and cancelled check in order to be reimbursed from the district with School Land Trust funds. So, schools must meet School Land Trust spending requirements or they will not receive payment for items purchased.

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Schools may send purchase requisitions through the school district itself, with funds taken directly out of their School Land Trust fund. Reviews of receipts and school district reimbursement orders indicate Granite's elementary schools are spending School Land Trust funds in accordance with district requirements.

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### **Physical Review of School Land Trust Purchases Verifies Expenditures**

We reviewed six elementary schools' accounting for School Land Trust funds and found that schools can account for the expenditures. Each school kept detailed records concerning all expenditures involving School Land Trust activities. The schools were able to document how School Land Trust funds were spent and provided photocopies of receipts and invoices from the schools' records. School reimbursement checks were accompanied with receipts and explanations for purchases.

Visits to three of the six elementary schools reviewed further indicates that schools can account for educational purchases with School Land Trust funds. A physical inspection of a selection of School Land Trust expenditures of three elementary schools verified that books, materials, computer software, and science instruments purchased with School Land Trust funds agreed with what was shown on the school records.

Overall, our review suggests that Granite School District's elementary schools are utilizing School Land Trust funds in accordance with statutory requirements to improve academic excellence. Funds are accounted for, and appropriate safeguards exist to minimize potential abuse of School Land Trust funds.

We hope this report identifies key issues concerning the use and accounting of School Land Trust funds. If you have further questions please call our office.

Sincerely,

Wayne L. Welsh, CPA  
Auditor General

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